

**Town of Pelham**  
**Public Library Board**  
**Financial Statements**  
December 31, 2006

Grant Thornton 

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## Auditors' Report

To the Board Members, Members of Council, Inhabitants and  
Ratepayers of the Corporation of the Town of Pelham

We have audited the consolidated statements of financial position of the Public Library Board and the Donation Trust Fund of the **Public Library Board of the Corporation of the Town of Pelham** as at December 31, 2006 and the consolidated statements of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Public Library Board of the Corporation of the Town of Pelham derives receipts from donations and cash sales, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Public Library Board and we were not able to determine whether any adjustments might be necessary to donations and other revenue, net revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Public Library Board and the Trust Fund of the Public Library Board of the Corporation of the Town of Pelham as at December 31, 2006 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express an opinion on the budget figures.

*Grant Thornton LLP*

Port Colborne, Ontario  
March 6, 2007

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**Town of Pelham**  
**Public Library Board**  
**Consolidated Statement of Financial Position**

As at December 31 2006 2005

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**Assets**

Cash	\$ 200	\$ 200
Accounts receivable	6,147	10,745
Due from Donation Trust Fund	7,955	245
Due from Town of Pelham	60,739	14,665
Prepays	<u>915</u>	<u>1,109</u>
	<b><u>\$ 75,956</u></b>	<b><u>\$ 26,964</u></b>

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**Liabilities**

Accounts payable and accrued liabilities	\$ 13,999	\$ 19,135
Deferred revenue	<u>18,303</u>	<u>-</u>
	<b>32,302</b>	19,135

**Library position**

Current fund	<u>43,654</u>	<u>7,829</u>
	<b><u>\$ 75,956</u></b>	<b><u>\$ 26,964</u></b>

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On behalf of the Board

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See accompanying notes to the consolidated financial statements

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**Town of Pelham**  
**Public Library Board**  
**Consolidated Statement of Financial Activities**

For the Year Ended December 31, 2006

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	Budget <u>2006</u> (Unaudited)	<b>Actual <u>2006</u></b>	Actual <u>2005</u>
<b>Revenue</b>			
Municipal contribution	\$ 564,835	<b>\$ 564,835</b>	\$ 494,210
Municipal reserve contribution	-	-	16,751
Grants (Note 2)	23,400	<b>35,811</b>	110,538
Transfers from donation trust fund	-	<b>19,056</b>	28,533
Development charges	10,000	<b>10,000</b>	10,000
Other (Note 3)	<u>36,700</u>	<u><b>52,298</b></u>	<u>44,607</u>
	<u>634,935</u>	<u><b>682,000</b></u>	<u>704,639</u>
<b>Expenditures</b>			
Salaries, wages and benefits (Note 4)	445,960	<b>425,231</b>	376,602
Books, periodicals and other media	81,500	<b>110,654</b>	91,517
Electronic resources and maintenance	17,500	<b>14,542</b>	9,217
Administration	19,200	<b>21,039</b>	18,528
Furnishings and office equipment	1,100	<b>5,850</b>	104,118
Insurance	2,900	<b>2,885</b>	2,603
Utilities	23,900	<b>22,129</b>	20,321
Repairs and maintenance	31,600	<b>22,318</b>	57,473
Supplies	5,100	<b>7,998</b>	7,855
Programs	<u>6,000</u>	<u><b>13,529</b></u>	<u>20,391</u>
	<u>634,760</u>	<u><b>646,175</b></u>	<u>708,625</u>
Net revenues (expenditures)	175	<b>35,825</b>	(3,986)
Current fund			
Beginning of year	<u>7,829</u>	<u><b>7,829</b></u>	<u>11,815</u>
End of year	<u>\$ 8,004</u>	<u><b>\$ 43,654</b></u>	<u>\$ 7,829</u>

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See accompanying notes to the consolidated financial statements.

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**Town of Pelham**  
**Public Library Board**  
**Consolidated Statement of Changes in Financial Position**

For the Year Ended December 31

2006

2005

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**Increase (decrease) in cash and cash equivalents**

Operating activities		
Net revenues (expenditures)	\$ 35,825	\$ (3,986)
Decrease (increase) in accounts receivables	4,598	(1,544)
Increase in due from donation trust fund	(7,710)	(245)
Decrease (increase) in due from Town of Pelham	(46,074)	28,218
Decrease (increase) in prepaids	194	(1,109)
Decrease in accounts payable and accrued liabilities	(5,136)	(13,684)
Increase (decrease) in deferred revenue	<u>18,303</u>	<u>(7,650)</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning of year	<u>200</u>	<u>200</u>
End of year	<u>\$ 200</u>	<u>\$ 200</u>

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See accompanying notes to the consolidated financial statements.

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# Town of Pelham

## Public Library Board

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2006

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#### 1. Significant accounting policies

The consolidated financial statements of the Town of Pelham Public Library Board are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the board are as follows:

##### (a) Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and in financial position of the Town of Pelham Public Library Board.

##### (b) Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred or transfers are due.

##### (c) Fund accounting

Funds within the consolidated financial statements consist of the current and capital funds.

##### (d) Tangible capital assets

The historical cost and accumulated depreciation for tangible capital assets are not reported for municipal purposes. Tangible capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition.

##### (e) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

##### (f) Budgets

The board does not prepare budgets for program revenues and expenditures nor for trust fund receipts and related expenditures.

# Town of Pelham

## Public Library Board

### Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2006

2. Grants	Budget 2006 (Unaudited)	Actual 2006	Actual 2005
<b>Federal Government</b>			
Canada Council for the Arts	-	\$ 1,800	\$ 612
Summer programs	-	<u>1,494</u>	<u>1,306</u>
	-	<u>3,294</u>	<u>1,918</u>
<b>Province of Ontario</b>			
Unconditional	\$ 23,400	23,388	23,388
Community Access Program	-	-	9,616
Early Years Challenge Program	-	-	4,049
Healthy Living Niagara	-	1,500	-
Niagara Community Foundation	-	3,100	4,000
Ontario Literacy	-	2,897	-
SOLS Connectivity	-	1,632	1,664
Trillium Foundation	-	-	65,000
TD Friends of the Environment	-	-	903
	<u>23,400</u>	<u>32,517</u>	<u>108,620</u>
	<u>\$ 23,400</u>	<u>\$ 35,811</u>	<u>\$ 110,538</u>

3. Other revenue	Budget 2006 (Unaudited)	Actual 2006	Actual 2005
Desk receipts	\$ 15,000	\$ 23,756	\$ 19,212
Room rentals	3,500	3,204	3,620
Sale of books	6,000	7,928	6,378
Program fees	11,000	14,368	14,150
Other	<u>1,200</u>	<u>3,042</u>	<u>1,247</u>
	<u>\$ 36,700</u>	<u>\$ 52,298</u>	<u>\$ 44,607</u>

4. Salaries, wages and benefits	Budget 2006 (Unaudited)	Actual 2006	Actual 2005
Salaries and wages	\$ 388,860	\$ 372,263	\$ 329,953
Benefits	<u>57,100</u>	<u>52,968</u>	<u>46,649</u>
	<u>\$ 445,960</u>	<u>\$ 425,231</u>	<u>\$ 376,602</u>

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**Town of Pelham**  
**Public Library Board**  
**Notes to the Consolidated Financial Statements**

For the Year Ended December 31, 2006

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**5. Pension agreements**

The Library makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to OMERS are made at rates ranging from 6.5% to 9.6% depending on the proposed retirement age and the level of earnings. As a result, \$ 15,059 (2005 - \$ 11,679) was contributed to OMERS for current service, of which \$ 7,530 (2005 - \$ 5,840) represents the employees' portion.

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**6. Financial instruments**

The board's financial instruments consist of cash, accounts receivable, accounts payable and amounts due from related parties. It is management's opinion that the board is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values.

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**7. Trust funds**

Trust funds administered by the board amounting to \$ 34,646 (2005 - \$28,333) have not been included in the consolidated statement of financial position nor have these operations been included in the consolidated statement of financial activities.

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**8. Public Sector Salary Disclosure Act**

For 2006, no employees were paid salaries as defined in the Public Sector Salary Disclosure Act, 1996 of \$ 100,000 or more.

**Town of Pelham  
Public Library Board  
Donation Trust Fund**

For the Year Ended December 31, 2006

<b>Statement of Financial Activities</b>	<u><b>2006</b></u>	<u><b>2005</b></u>
Receipts		
Donations and fundraising	\$ 24,060	\$ 24,078
Interest earned	<u>1,309</u>	<u>740</u>
	<u><b>25,369</b></u>	<u><b>24,818</b></u>
Transfers to library for the following expenditures		
Audio visual	589	-
Books and periodicals	9,557	1,190
Equipment purchases	2,457	12,056
Fundraising	32	75
Miscellaneous	796	357
Printing	419	97
Programs	2,109	1,679
Transfer to current fund operations	<u>3,097</u>	<u>13,078</u>
Net increase in trust fund	<u><b>19,056</b></u>	<u><b>28,532</b></u>
	<b>6,313</b>	(3,714)
Fund balance		
Beginning of year	<u><b>28,333</b></u>	<u><b>32,047</b></u>
End of year	<u><b>\$ 34,646</b></u>	<u><b>\$ 28,333</b></u>

**Statement of Financial Position**

As at December 31	<u><b>2006</b></u>	<u><b>2005</b></u>
<b>Assets</b>		
Cash	\$ 42,601	\$ 28,578
Due to library	<u>(7,955)</u>	<u>(245)</u>
	<u><b>\$ 34,646</b></u>	<u><b>\$ 28,333</b></u>
<b>Liabilities</b>		
Fund balance	<u><b>\$ 34,646</b></u>	<u><b>\$ 28,333</b></u>